

STATE OF UTAH

DIVISION OF OIL, GAS and MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work

DRILL ☒DEEPEN ☐

B. Type Of Well

OIL ☐GAS ☒

OTHER:

SINGLE ZONE ☐MULTIPLE ZONE ☒

2. Name of Operator

J.C. Thompson

3. Address of Operator

5000 S. Quebec, Suite 640, Denver, CO 80237

4. Location of Well (Footages)

At Surface:

1992' fsl & 440' fwl

At Proposed Producing Zone:

Same

14. Distance in miles and direction from nearest town or post office:

Approximately 35 miles NW of Mack, CO

15. Distance to nearest property or lease line (feet):

440' fwl

16. Number of acres in lease:

1,706.92 ac

17. Number of acres assigned to this well:

240 ac

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):

approx 6,500'

19. Proposed Depth:

6,200'

20. Rotary or cable tools:

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,518' GR

22. Approximate date work will start:

Summer, 2000

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	300'	350 sx
9 5/8"	J-55, 7"	20#	2,900'	550 sx
6 1/2"	N-80, 4 1/2"	11.6#	6,200'	150 sx

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

Move in rotary rig and drill 17 1/2" hole to 300' depth and run 300', 13 3/8" surface casing set with 350 sx regular cement. Circulate cement and fill to surface. Drill 9 5/8" hole to 2,900' of 7", intermediate casing and set with 550 sx 50-50 pozmix cement circulated to surface. Drill 6 1/2" hole to 6,200' TD using air. Run 4 1/2" production casing to 6,200' and cement with 150 sx thixotropic cement (cement top approx 1,000' above Dakota Silt). Perforate Dakota/Cedar Mountain for production. Connect to existing 3" gathering line adjoining location.

RECEIVED

MAR 27 2000

DIVISION OF
OIL, GAS AND MINING

24.

Name & Signature:

J.C. Brothers *J.C. Brothers*

Title:

(This space for State use only)

API Number Assigned:

43-019-31377

Approval:

Notarized Approval of this
Action is Necessary

(1/93)

(See Instructions on Reverse Side)

5. Lease Designation and Serial Number:

U 15889

6. If Indian, Allocated or Tribe Name:

7. Unit Agreement Name:

8. Farm or Lease Name:

Federal

9. Well Number:

13-19

10. Field and Pool, or Wildcat:

Middle Canyon

11. Qtr/Qtr, Section, Township, Range, Meridian:

NW SW Sec. 19, T16S, R24E

12. County:

Grand

13. State:

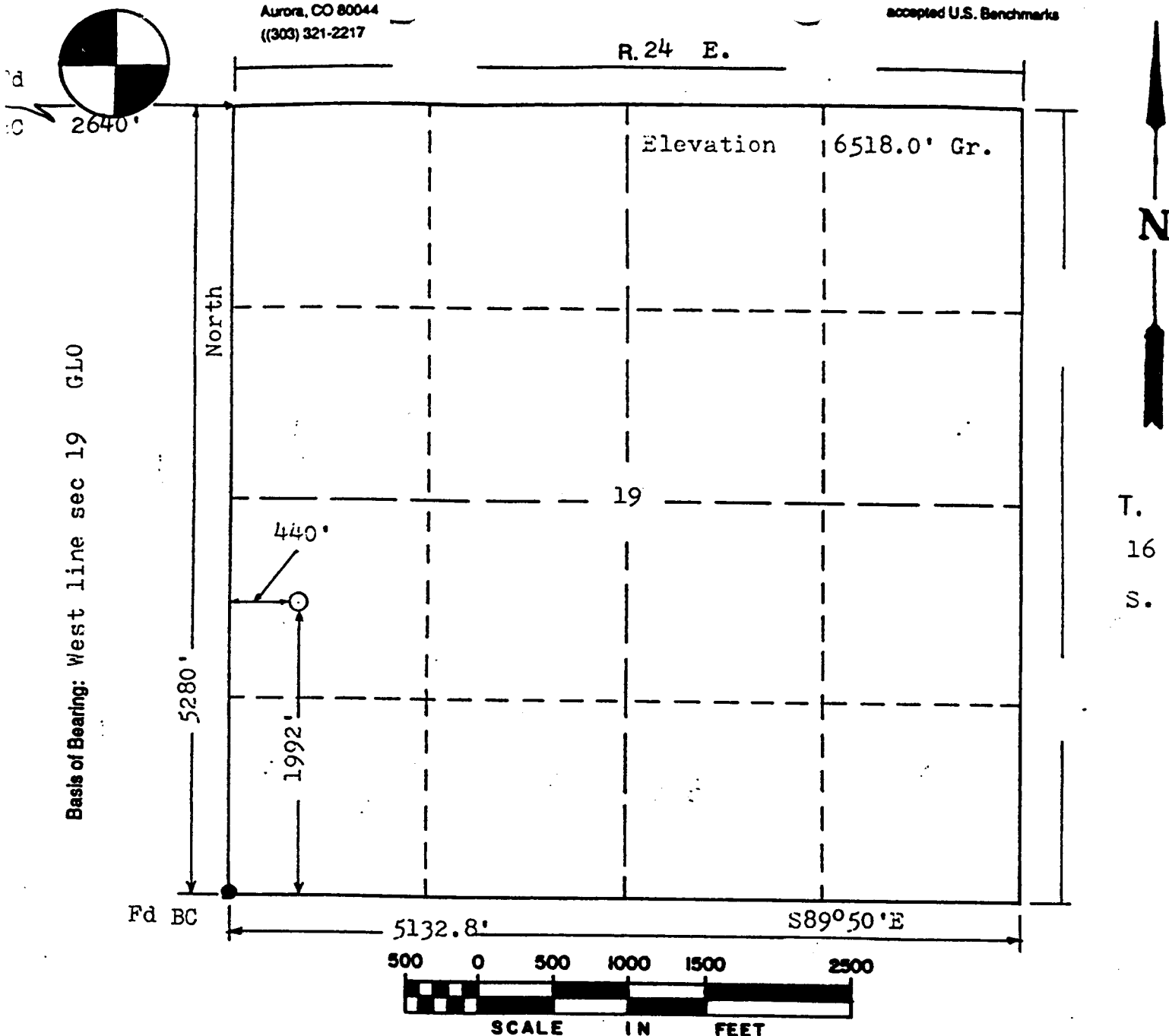
Utah

Registered by the 3/23/00

Oil, Gas and Mining

Date: 3/21/00

By: *[Signature]*

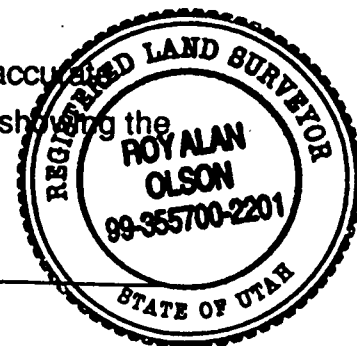


Powers Elevation Co., Inc. of Denver, Colorado has in accordance
with a request from Andy Busch for National Fuel Corp.
determined the location of #13-19 Federal
to be 1992'FS & 440'FW
Range 24 E. of Salt Lake Principal Meridian,
Grand County, Utah

I hereby certify that this plot is an accurate
representation of a correct survey showing the
location of #13-19 Federal

Date: 9-17-99

Roy A Olson
Licensed Land Surveyor No.
State of Utah



March, 1994

Bureau of Land Management
Moab District
Application for Permit to Drill
On-Site Inspection Checklist

Company J.C. Thompson Well No. Federal #13-19

Location: Sec. 19, T 16S, R. 24E, Lease No. U 15889

On-Site Inspection Date Th. 9/9/99

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR § 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. <u>Surface Formation and Estimated Formation Tops:</u>	<u>Upper Mesaverde - surface</u>
<u>Sego</u>	<u>1,975'</u>
<u>Castlegate</u>	<u>2,125'</u>
<u>Mancos "B"</u>	<u>2,840'</u>
<u>Frontier</u>	<u>5,440'</u>
<u>Dakota Silt</u>	<u>5,730'</u>
<u>Dakota Sands</u>	<u>5,805'</u>
<u>Cedar Mountain</u>	<u>5,905'</u>
<u>Morrison</u>	<u>6,035'</u>

2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered.

	<u>Depth/Formation</u>
Expected Oil Zones:	<u>None</u>
Expected Gas Zones:	<u>Mesaverde & Mancos "B" 2,000' – 3,000' (behind 7" csg.) Dakota/Cedar Mtn./Morrison – 5,730' – TD (behind 4 ½" csg.)</u>
Expected Water Zones:	<u>Less than 300' (behind surf. csg.) Mesaverde to 3,000' (behind 7" csg.)</u>
Expected Mineral Zones:	<u>None</u>

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to BLM. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment – include schematics of the BOP and choke manifold, and describe testing procedures: See attached procedures and schematics exhibit.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing show and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment – include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

Surface	13 3/8"	54.5#	ST&C	0'-300'	New
Intermed.	7"	20#	J-55	ST&C	0'-2,900' New
Production	4 1/2"	11.6#	N-80	ST&C	0'-6,200' New

5. Cement – include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques:

Surface-350sx; 25:75% poz/g; 2% Si Ca Cl₂; .25 sk D-29 celloflake to surf.

Intermed-580sx; 50:50 pozmix; 2% Si Ca Cl₂; .25 sk D-29 celloflake to surf.

Prod-150sx; Thixotropic; ± 4,700' or 1,000' above Dakota Silt

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

6. Mud Program and Circulating Medium – include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto ignitor, description of the deduster equipment; and amounts, types and characteristics of stand-by mud: 0'-300' mud/water; 9.6#/gal; vis 50 sec./qt. 300'-6,400' TD drill with AIR. Mud up as needed w/mud weight 8.4-9.0#/gal. Details on air drilling system will be provided for specific drilling rig when drilling contract is signed.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain will control and combat lost circulation problems that might reasonably be expected.

7. Coring, Logging and Testing Program: NO DST or core anticipated. Logging program: DIL-focused w/sp & compensated neutron-formation density w/GR to be run from surface to T.D. All good gas and/or oil shows will be tested by perfing production casing.

Initial opening of drill stem test tools will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards – include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones,

EXHIBIT

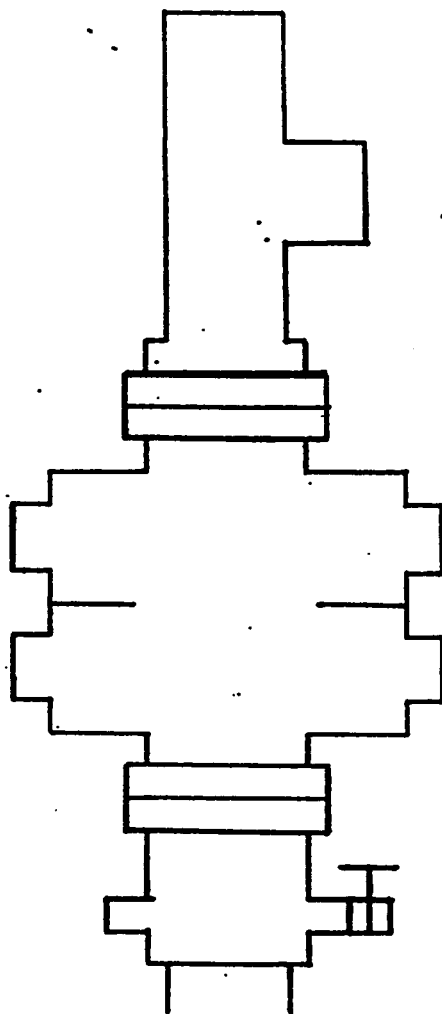
5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT are schematic diagrams of the blowout preventer equipment. A 2000# blowout preventer will be installed, used, maintained, and tested in accordance with all requirements specified in Section III.A-1 of Onshore Order 2, except where variations are presented in this application.

Minimum standards outlined in Onshore Order 2 will be met for BOP, choke, manifold, accumulator, and locking devices. Hydraulic controls will be located on the rig floor. Manual controls will be handwheels. Remote control for the accumulator will be 100' – 200' from the drill hole. The kill line will not be used as a fill-up line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) shall be pressure tested to 100% of their rated working pressure for a period of 10 minutes. Annular preventers shall be tested to 50% of their rated working pressure for a period of 10 minutes. Tests will be run after initial installation, prior to drilling out of each casing shoe and after use under pressure, or a minimum of once every 30 days. Pipe rams will be operationally checked each 24 hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOPE will be noted on daily drilling reports.

EXHIBIT

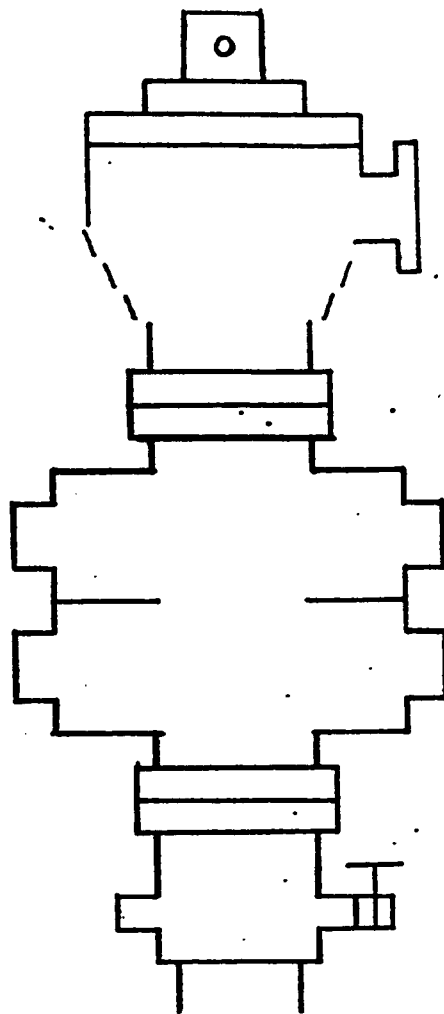


11" 2000#

DRILLING NIPPLE

HYDRAULIC DOUBLE GATE BLOWOUT PREVENTER

EXHIBIT



11" 2000#

HYDRAULIC DOUBLE GATE BLOWOUT PREVENTER

ROTATING HEAD

abnormal temperature zones and possible hydrogen sulfide bearing zones: No abnormal conditions, pressures, or hazards anticipated. No H₂S anticipated or known in area.

9. Any Other Aspects of this Proposal that should be Addressed: Time frames for:
Construction: 3-4 days maximum
Drilling: 12 days
Completion: 7 days

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:

a. Proposed route to location (submit a map depicting access and well location).

b. Location of proposed well in relation to town or other reference point:

Approximately 35 miles NW of Mack, CO

c. Contact the County Road Department for use of county roads.

d. Plans for improvement and/or maintenance of existing roads: Grand Co., National Fuel, and other companies currently maintain the existing roads

e. Other: Existing roads are adequate for transportation of drilling rig.

2. Planned Access Roads:

a. Location (centerline): Parallel to surface pipeline operated by Wildhorse (BLM R/W UTU 038103)

b. Length of new access to be constructed: about 1 1/4 mile from #11-30 well

c. Length of existing roads to be upgraded: Following trail used during pipeline construction

d. Maximum total disturbed width: 35'

e. Maximum travel surface width: 18' to 20'

f. Maximum grades: Will be kept within BLM guidelines by cut & fill as necessary

- g. Turnouts: As needed
- h. Surface materials: No off-site materials anticipated. Road would be constructed in gravel, rock, soil materials.
- i. Drainage (crowning, ditching, culverts, etc.): Anticipate flat-blading from drilling operations. Road will be upgraded as needed for erosion control and maintenance of drainage – if production established.
- j. Cattleguards: N/A
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM right-of-way is required: About 1 mile to #11-30 well will be off-lease. About ¼ mile on lease to county road #201.
- l. Other: A right-of-way for the road is requested as part of this APD package. The surface use plan for this APD provides pertinent information. No hazardous materials will be used or transported during the construction or maintenance of this right-of-way.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the Area Manager in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate, shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the authorized officer.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame

cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells – on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each See attached map
-
-

4. Location of Production Facilities:

- a. On-site facilities: Wellhead, separator/heater and/or dehydrator, and fenced emergency water disposal pit.
-

- b. Off-site facilities: NONE
-
-

- c. Pipelines: Wildhorse 3" gathering pipeline next to access road will be utilized if gas is produced.
-
-

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months on installation. Facilities required by comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will: match surrounding trees and rocks per BLM specifications.

All site security guidelines identified in 43 CFR § 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Order #7. If water is produced from the well, an Onshore Order #7 application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Private water source, by purchase from rancher at mouth of Middle Canyon, Grand County, UT.

A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah, at (801) 637-1303.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Native materials on site.

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material):
Native material

The reserve pit will be located: against the cut-slope of the well site; see pad diagram,
and the pit walls will be sloped at no greater than to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary, but no later than at the completion of drilling operations.

8. Ancillary Facilities: NONE required. Anticipate 1 to 2 trailers for drilling personnel and logging equipment, etc.

9. Well Site Layout – depict the pit, rig, cut and fill, topsoil, etc., on a plat with a scale of at least 1" = 50'.

All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR § 3162.6.

Access to the well pad: See pad layout diagram

The blooie line will be located: directed into reserve pit (Detail will be provided when drilling contract for a specific rig is signed)., at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Blooie line directed into the base of dirt embankment at end of reserve pit.

10. Plans for Restoration of the Surface:

The top 3 inches of topsoil material will be removed from the location and stockpiled separately: from vegetation at end of wellsite.

Topsoil along the access road will be reserved in a place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Oct 1 and Dec 31, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used:

<u>Western Wheatgrass</u>	<u>5#/acre</u>	<u>Pure live seed</u>
<u>Indian Ricegrass</u>	<u>2#/acre</u>	<u>Pure live seed</u>
<u>Fourwing Saltbrush</u>	<u>2#/acre</u>	<u>Pure live seed</u>
<u>Bitterbrush</u>	<u>2#/acre</u>	<u>Pure live seed</u>

The abandonment marker will be one of the following, as specified by the BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case, the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: _____

11. Surface and Mineral Ownership: Federal surface and Federal minerals

12. Other Information:

- a. Archeological Concerns: Cultural resources inventories will be completed by contracting an archaeologist approved by the BLM. See attached report.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: _____

- c. Wildlife Seasonal Restrictions (yes/no): _____

- d. Off Location Geophysical Testing: _____

- e. Drainage crossings that require additional State or Federal approval: _____

- f. Other: _____

13. Lessee's or Operator's Representative and Certification

Representative:

Name: J.C. Brothers

Title: Sr. Geologist

Address: 5000 So. Quebec, #640
Denver, CO 80237

Phone Number: 303-220-7772

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by _____

J.C. Thompson

and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. _____. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

J.C. Brothers
Signature

Sr. Geologist
Title

11/2/99
Date

COVER PAGE for the
Utah Division of State History
Preservation Office

Project Name: Class III cultural resource inventory of the proposed Fed. #13-19 and Fed. #42-24 well locations and their associated 6000-foot-long access road in Grand County, Utah, for National Fuels Corporation [GRI Proj. No. 9960]

State Proj. No.: U99-GB-0583b

Report Date: 10/15/99

Principal Investigator: Carl E. Conner

Field Supervisor(s): Carl E. Conner

Acreage Surveyed

Intensive: 33.77 acres

Recon/Intuitive: _____ acres

7.5' Series USGS Map Reference(s): PR Spring 1987 (Photorevised)

Sites Reported

Archaeological Sites

Revisits (no inventory form update) _____

0

Revisits (updated IMACS site
inventory form attached) _____

0

New recordings (IMACS site inventory
form attached) _____

0

Total Count of Archaeological Sites _____

0

Historic Structures (USHS 106 site info
form attached) _____

0

Total National Register Eligible Sites _____

0

Paleontological Localities _____

0

Checklist of Required Items

1. X 1 Copy of the Final Reports
2. X Copy of 7.5' Series USGS Maps With Surveyed/Excavated Area Clearly Identified.
3. Completed IMACS Site Inventory Forms, Including
 - ____ Parts A and B or C,
 - ____ the IMACS Encoding Form,
 - ____ Site Sketch Map,
 - ____ Photographs, and
 - ____ Copy of the Appropriate 7.5' Series USGS Map w/ the Site Location Clearly Marked and Labeled w/ the Smithsonian No.
4. _____ Paleontological locality form
5. X Completed "Cover Sheet" Accompanying Final Report and Survey Materials

U.S.
Department of the Interior
Bureau of Land Management
Utah State Office

Summary Report of
Inspection for Cultural Resources

Project 19-G.B.-0583b
Authorization No. _____
Report Acceptable Yes ☐ No ☐
Mitigation Acceptable Yes ☐ No ☐
Comments: _____

1. Report Title Federal 42-24 and Short Access
2. Development Company National Fuel Corporation
3. Report Date 15 October 1999 4. Antiquities Permit No. 99-UT-54939
5. Responsible Institution GRAND RIVER INS. County Grand
6. Fieldwork Location: TWN 16S Range 23E Section(s) 24
TWN 16S Range 24E Section(s) 19
7. Resource Area GR
PO=Pony Express, BR=Bear River, WS=Warm Springs, BC=Book Cliffs, HR=House Range,
SE=Sevier River, HM=Henry Mountains, BE=Beaver River, DX=Dixie, KA=Kanab,
ES=Escalante, SJ=San Juan, GR=Grand, SR=San Raphael, DM=Diamond Mountain, PR=Price River

8. Description of Examination Procedures: A 100 percent pedestrian cultural resources inventory of the proposed well location was made by a two-person crew walking concentric circles spaced 10 meters apart around the staked center to cover a 750 feet diameter-10 acre plot. Steep slopes under 30 degrees were contoured; those over 30 degrees were avoided. The proposed existing access route was inspected by walking two parallel transects on each side of the road spaced at 10m intervals to cover a 100-foot wide corridor.

9. Linear Miles Surveyed 0.38
and/or
Definable Acres Surveyed 10
and/or
Legally Undefinable Acres Surveyed _____
10. Inventory Type I
I=Intensive
S=Statistical

11. Description of Findings (attach appendices, if appropriate)
No cultural resources were identified in the project area.

12. Number Sites found 0
(No sites = 0) 13. Collection N
(Y=Yes N=No)

14. Actual/Potential National Register Properties Affected: None.

15. Literature Search, Location/Date: BLM Moab Office / October 7, 1999

16. Conclusion/Recommendations:
No significant historic properties were identified within the area of direct impact.
Archaeological clearance is recommended.

17. Signature of Administrator & Field Supervisor: Administrator Carl E. Conner
Carl E. Conner

Field Supervisor _____

*For extra locations use additional 8100-3 forms

UT 8100-3
(2/85)

U.S.
Department of the Interior
Bureau of Land Management
Utah State Office

Summary Report of
Inspection for Cultural Resources

Project 99-G.B.-0583b
Authorization No. _____
Report Acceptable Yes ☐ No ☐
Mitigation Acceptable Yes ☐ No ☐
Comments: _____

1. Report Title Federal, 13-19, and, Short, Access
2. Development Company National Fuel Corporation
3. Report Date 15 October 1999 4. Antiquities Permit No. 99-UT-54939
5. Responsible Institution GRAND, RIVER, INS County Grand
6. Fieldwork Location: TWN 16S Range 24E Section(s) 19 30
TWN _____ Range _____ Section(s) _____
7. Resource Area GR
PO=Pony Express, BR=Bear River, WS=Warm Springs, BC=Book Cliffs, HR=House Range,
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9. Linear Miles Surveyed 0.76
and/or
Definable Acres Surveyed 10
and/or
Legally Undefinable Acres Surveyed _____
10. Inventory Type I
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S=Statistical

11. Description of Findings (attach appendices, if appropriate)
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12. Number Sites found 0
(No sites = 0) 13. Collection N
(Y=Yes N=No)

14. Actual/Potential National Register Properties Affected: None.

15. Literature Search, Location/Date: BLM Moab Office / October 7, 1999

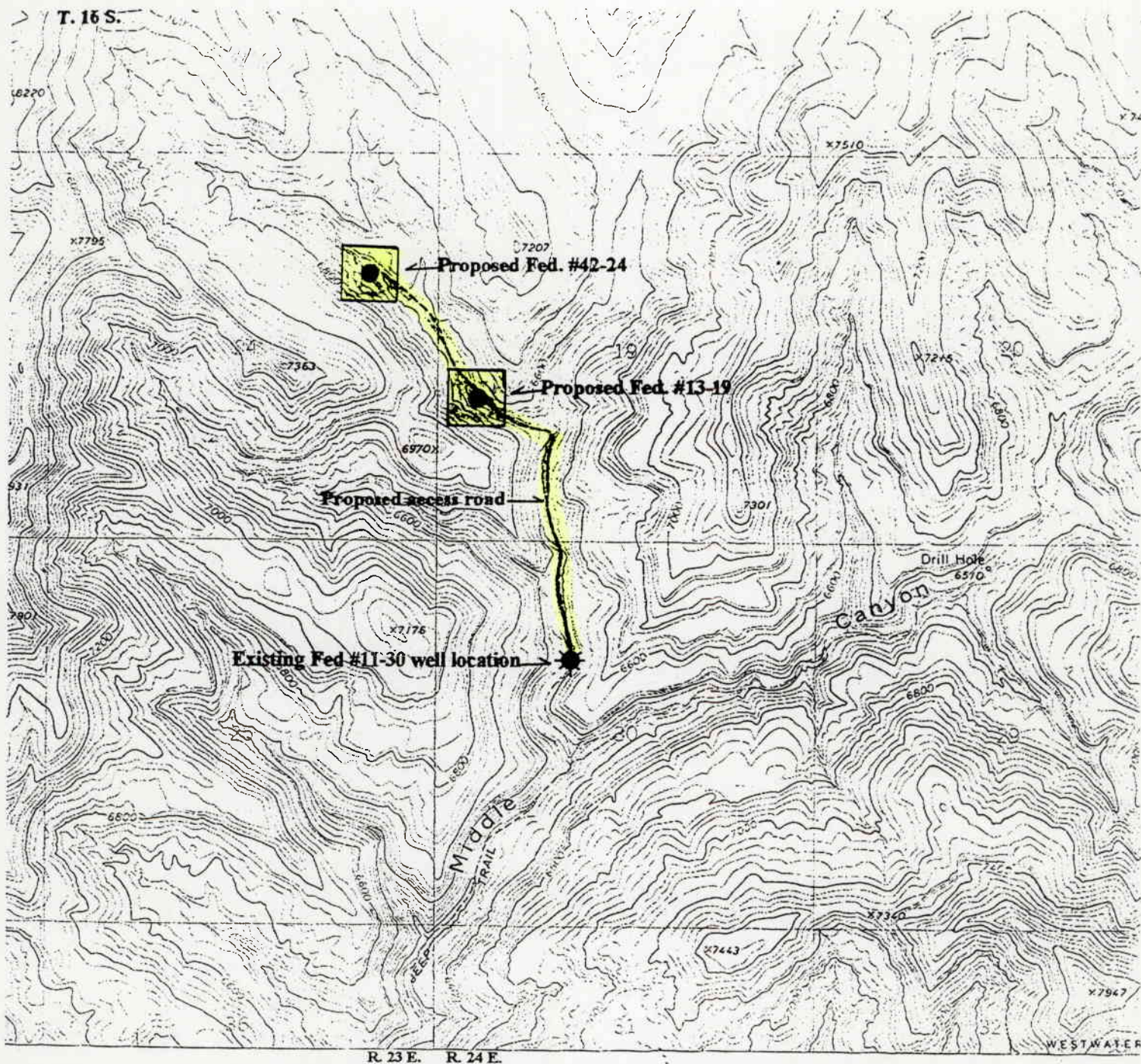
16. Conclusion/Recommendations:
No significant historic properties were identified within the area of direct impact.
Archaeological clearance is recommended.

17. Signature of Administrator & Field Supervisor: Administrator Carl E. Conner
Carl E. Conner

Field Supervisor _____

*For extra locations use additional 8100-3 forms

UT 8100-3
(2/85)

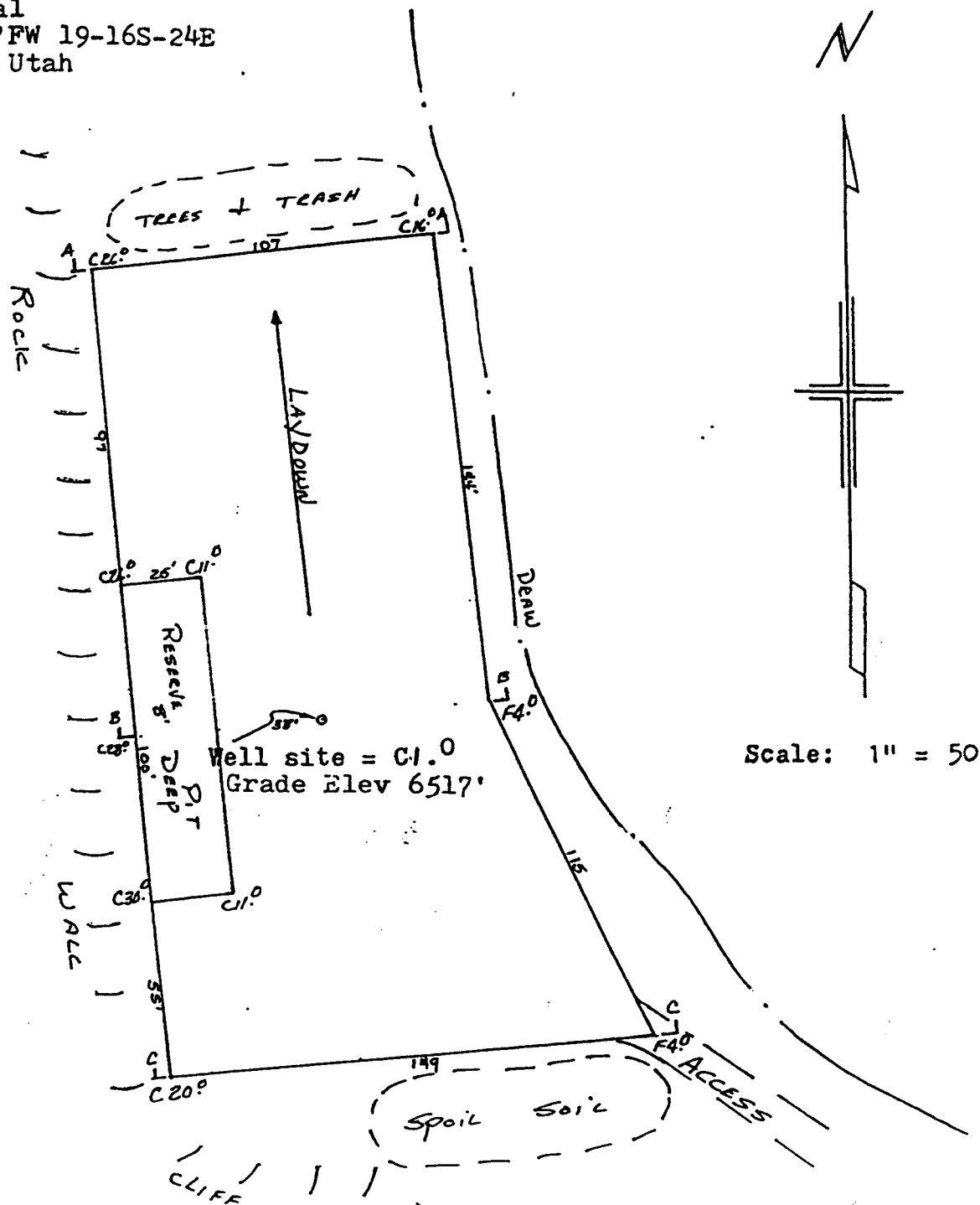


PR Spring Quadrangle/Utah - Grand County
1970/1987 -- USGS 7.5' Series (topographic)
Scale 1:24000 / Contour interval 40 feet
T. 16S., R. 23E. and R. 24E., SLBM

Location map for the Class III cultural resource inventory of the proposed Fed. #13-19 and Fed. #42-24 well locations and their associated 6000-foot-long access road in Grand County, Utah, for National Fuels Corporation. Area surveyed for cultural resources is highlighted. [GRI Proj. No. 9960 10/15/99]

TOPOGRAPHIC MAP

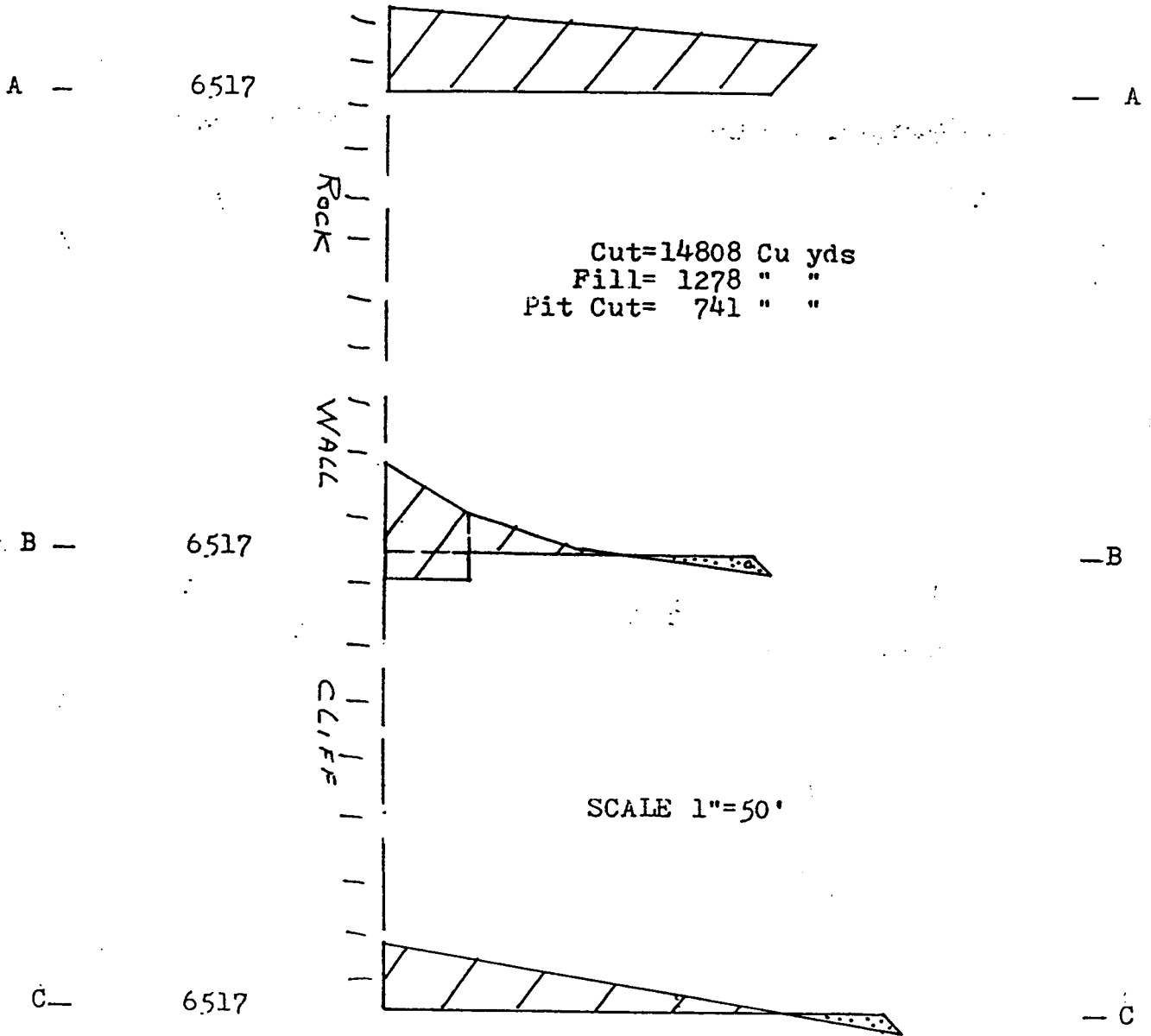
National Fuel Corp.
 #13-19 Federal
 1992'FS & 440'FW 19-16S-24E
 Grand County, Utah

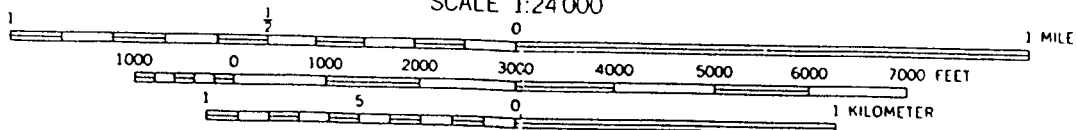
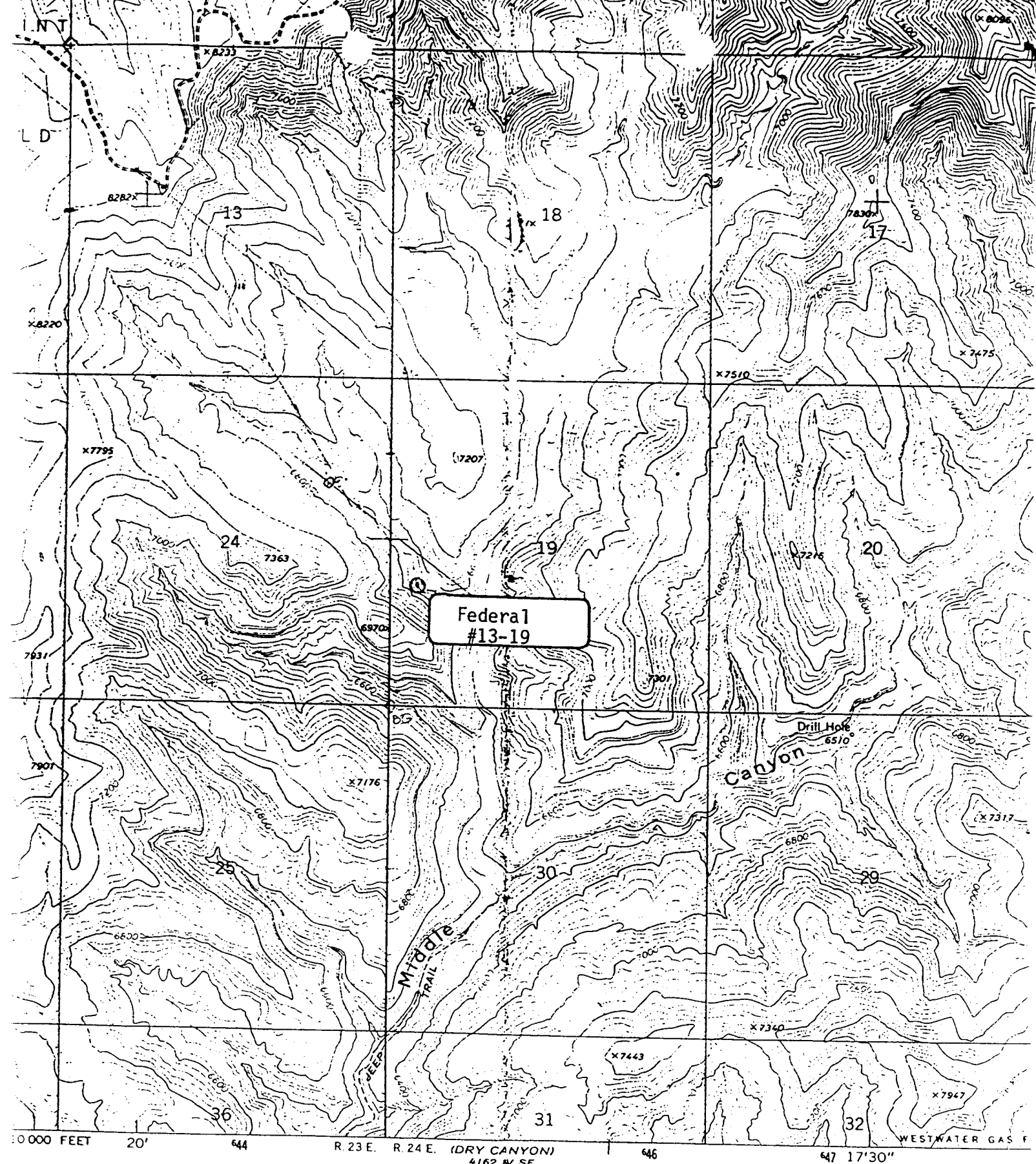


Scale: 1" = 50

by: Leonard K. Churman
 Powers Elevation Company, Inc.
 9-17-99

National Fuel Corp.
#13-19 Federal
1992'FS & 440'FW 19-16S-24E
Grand County, Utah





CONTOUR INTERVAL 40 FEET
DATUM IS MEAN SEA LEVEL

R 23 E

R 24 E

R 25 E

Well
Location

24

19

T 16 S

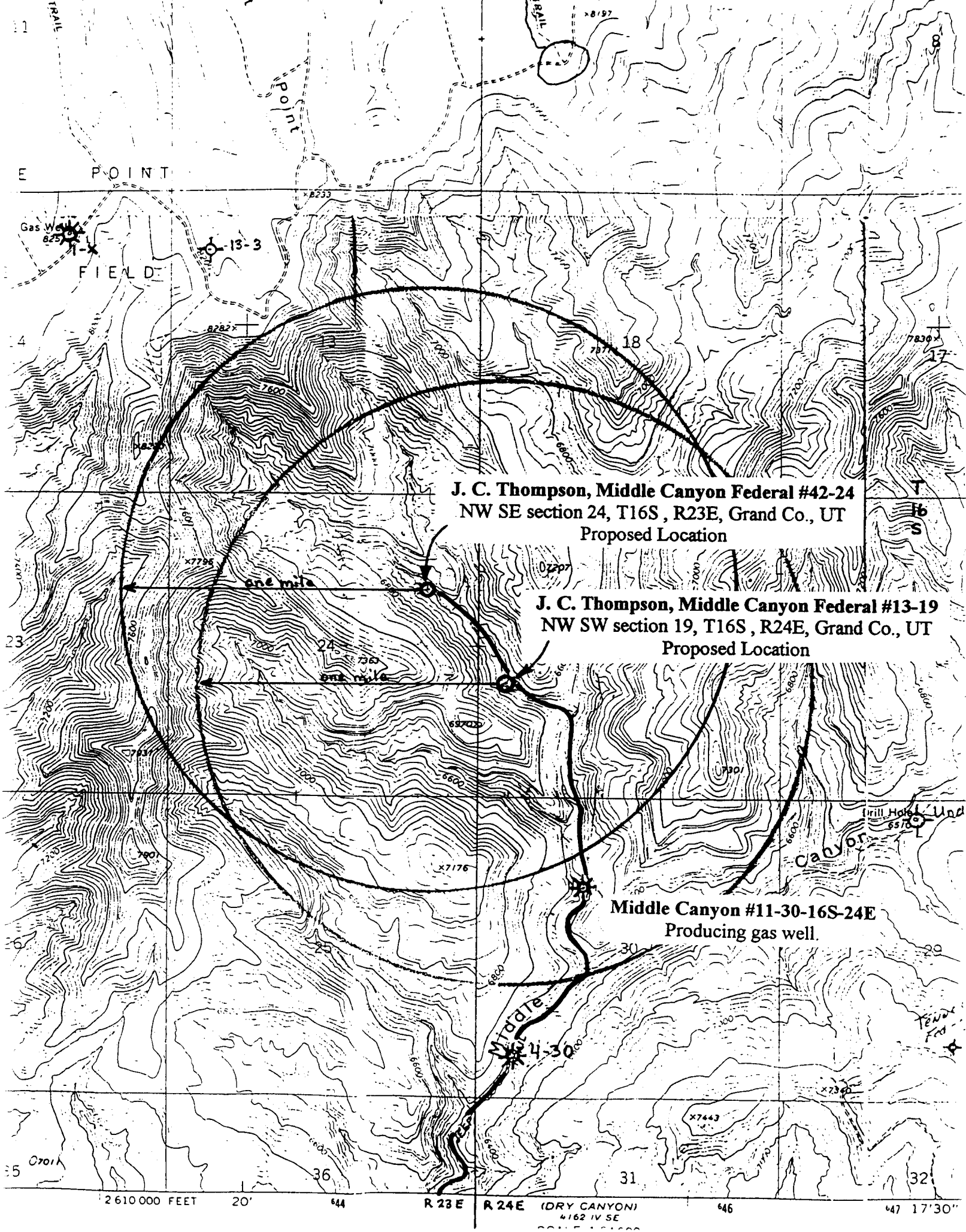
T 17 S

Fruita, CO
20 mi. east

I-70

Westwater
Exit

J. C. Thompson, Middle Canyon Federal #13-19
NW SW section 19, T16S, R24E, Grand Co., UT



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/27/2000

API NO. ASSIGNED: 43-019-31377

WELL NAME: FEDERAL 13-19
OPERATOR: THOMPSON, J C (N1240)
CONTACT: J C BROTHERS

PHONE NUMBER: 303-220-7772

PROPOSED LOCATION:

NWSW 19 160S 240E
SURFACE: 1992 FSL 0440 FWL
BOTTOM: 1992 FSL 0440 FWL
GRAND
UNDESIGNATED (2)

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-15889
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: DK-CM

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 862E9818)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190 - 5 (B)
☒ Water Permit
(No. Private / La Elmgreen)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

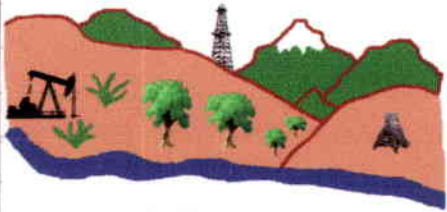
____ R649-2-3. Unit _____
____ R649-3-2. General
____ Siting: _____
☒ R649-3-3. Exception
____ Drilling Unit
____ Board Cause No: _____
____ Eff Date: _____
____ Siting: _____
____ R649-3-11. Directional Drill

COMMENTS:

Need add'l info. "Ex. Loc." (Rec'd 4-7-00)
BLM Appr. 6-15-00.

STIPULATIONS:

① FEDERAL APPROVAL



Utah Oil Gas and Mining

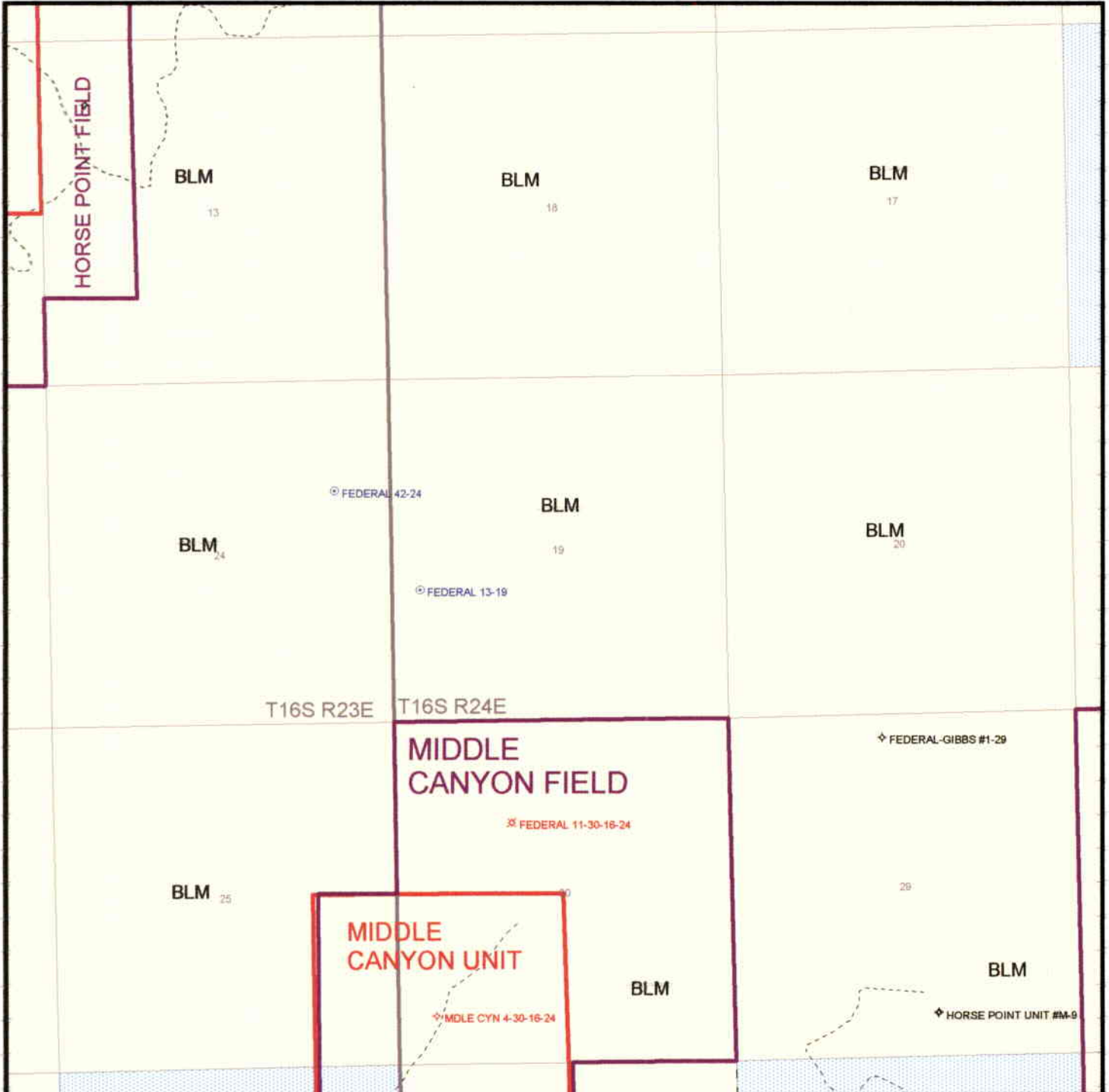
Serving the Industry, Protecting the Environment

OPERATOR: J C THOMPSON (N1240)

FIELD: UNDESIGNATED (002)

SEC. 24, T 16 S, R 23 E, & 19, T 16 S, R 24 E

COUNTY: GRAND STATE SPACING



PREPARED
DATE: 30-Mar-2000

J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

3/23/2000

State of Utah
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114 - 5801

Attn. Drilling well permits.

RECEIVED

MAR 27 2000

DIVISION OF
OIL, GAS AND MINING

Dear Sirs,

Attached please find Applications For Permit To Drill submitted by J. C. Thompson, Operator in the Middle Canyon Area adjacent to Westwater Field, Grand Co., UT. Both wells are on Federal Leases, and will be air-drilled, conventional rotary tests. The submitted APD's are in the BLM, Moab, UT office APD format, and are identical to those submitted to BLM Moab. We expect the BLM APD'S to be approved by April 1st, 2000 based on recent communication with Moab, with little or no modification to these submittals. We are currently in negotiations for a drilling rig contract and source of water for each drill site. I will supply details on the water source and identifying number of the approval of water use as soon as they are available. We anticipate using the same rig to drill both wells. Please contact me if there are any questions on these proposed wells.

Sincerely,

J. C. Brothers

J. C. Brothers
Sr. Geologist

RECEIVED

MAR 27 2000

DIVISION OF
OIL, GAS AND MINING

J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

RECEIVED

4/4/2000

APR 07 2000

**DIVISION OF
OIL, GAS AND MINING**

Lisha Cordova
State of Utah
Division of Oil, Gas, and Mining
1594 West north Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114 - 5801

RE: Our phone conversation of 4/3/2000 on J. C. Thompson APD's for Middle Canyon wells 13-19 and #42-24, Grand Co., UT.

Dear Lisha,

Enclosed is information you requested to complete the APD's on the following wells:

J. C. Thompson, Middle Canyon Federal #13-19, NW SW, sec. 19-T16S-R24E

J. C. Thompson, Middle Canyon Federal #42-24, NW SE NE, sec. 19-T16S-R24E.

Both wells in Grand Co., UT.

Oil and Gas Statewide Operator's Bond #862E9818 in the name of J. C. Thompson covers the two locations.

Source for the water used on both wells will be from Westwater Creek, NW NW NE sec. 5-T18S-R24E and SW SE SW sec. 32-T17S-R24E. I will supply you with the Water Permit information and number as soon as we obtain it from the new landowner.

APD Form 3, 1st page to correct typo on qtr/qtr section location (Item #11). Please replace original with this corrected version.

Also included are Requests for Exception to General State Spacing for each well.

Please contact me if there are any questions pertaining to these APD's or exception requests.

Sincerely,



J. C. Brothers
Senior Geologist

J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

4/4/2000

State of Utah
Division of Oil, Gas, and Mining
1594 West north Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114 - 5801

**RE: Request Exception to General State Spacing - Middle Canyon Federal #13-19,
NW SW Sec. 19 - T16S - R24E, Grand Co., UT.**

Dear Sirs,

J. C. Thompson, Operator requests an exception to general state spacing for the Middle Canyon Federal #13-19, NW SW Sec. 19 - T16S - R24E, Grand Co., UT. The #13-19 is a proposed 6500' gas well on Federal Lease #U 15889, offsetting Westwater Field. Topographic constraints on the physical well location force us to request this spacing exception. As can be seen on the attached map, the location is in the widest part of a narrow canyon.

The proposed well location is 440' east of the west lease line (Federal Lease U 15889, owned and operated by J. C. Thompson). We request the spacing exception for this distance. The adjoining lease to the west, 440' from the #13-19 Location is Federal Lease #UTU 72721, also owned and operated by J. C. Thompson. The adjoining lease to the east, lease line approximately 840' east of the #31-19 Location, is Federal Lease #U 30123, also owned and operated by J. C. Thompson. All other lease boundaries are over 2000' from the proposed location.

Please contact me if there are any questions pertaining to this exception request.

Sincerely,

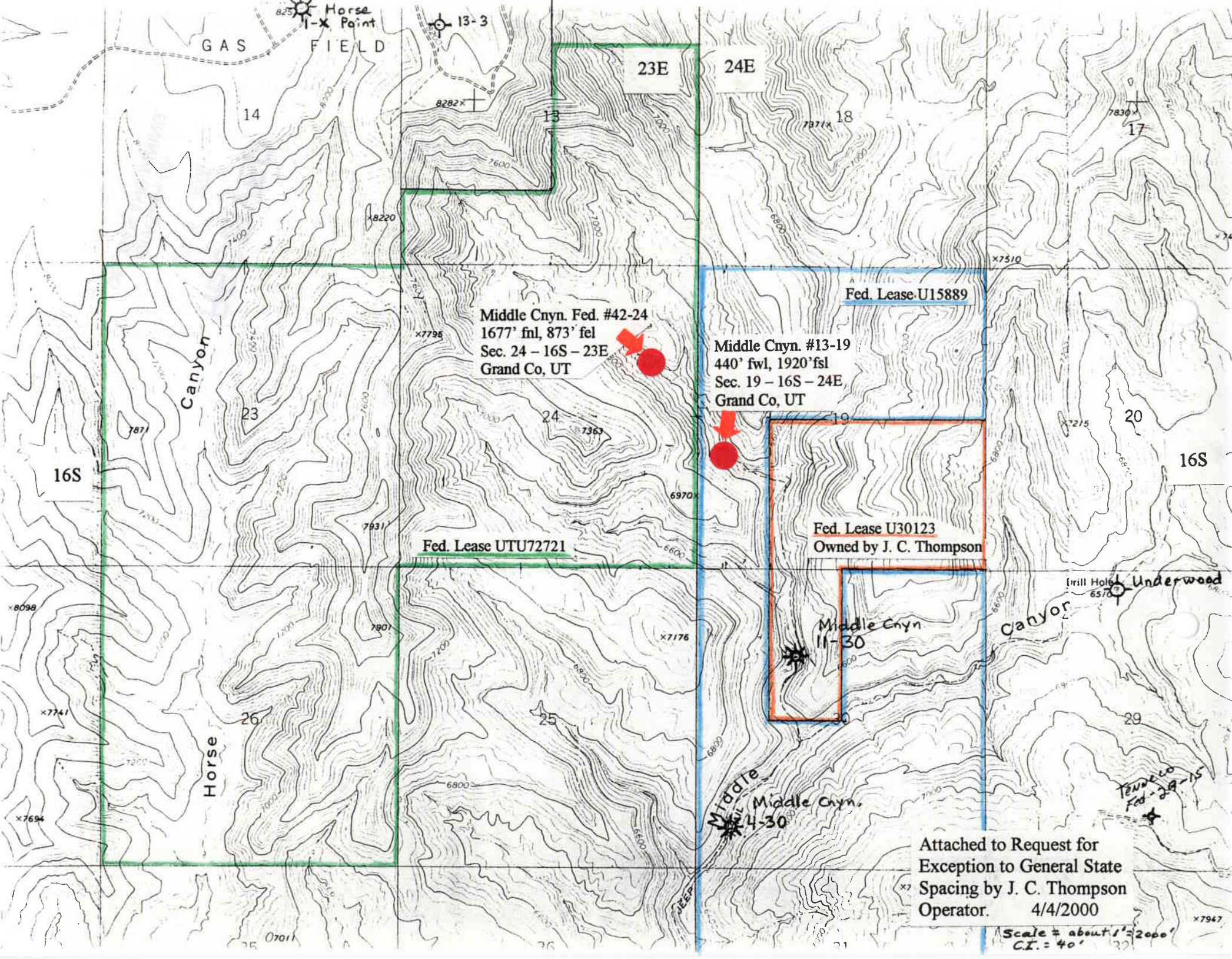


J. C. Brothers
Senior Geologist

RECEIVED

APR 07 2000

**DIVISION OF
OIL, GAS AND MINING**



99-152

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

1999 NOV 5 2:40
PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

J.C. Thompson

3. ADDRESS OF OPERATOR

5000 S. Quebec, Suite 640, Denver, CO 80237

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirements.)*

At Surface

1,992' FSL & 440' FWL

NWSW Sec. 19

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 35 miles NW of Mack, CO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

440' (FWL)

16. NO. OF ACRES IN LEASE

1,706.92 ac.

17. NO. OF ACRES ASSIGNED TO THIS WELL

240 ac.

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.

Approx.
6,500'

19. PROPOSED DEPTH

6,200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,518' GR

22. APPROX. DATE WORK WILL START*

Oct., 1999

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	300'	350 sx
9 5/8"	7" J-55	20#	2,900'	550 sx
6 1/2"	4 1/2" N-80	11.6#	6,200'	150 sx

Move in rotary rig and drill 17 1/2" hole to 300' depth and run 300' 13 5/8" surface casing set with 350 sx regular cement. Circulate cement and fill to surface. Drill 9 5/8" hole to 2,900' using air. Run 2,900' of 7" surface casing and set with 550 sx 50-50 pozmix cement circulated to surface.

Drill 6 1/2" hole to 6,200' TD using air.

Run 4 1/2" production casing to 6,200' and cement with 150 sx thixotropic cement (cement top approx 1,000' above Dakota Silt). Perforate Dakota/Cedar Mountain for production. Connect to existing 3" gathering line adjoining location.

RECEIVED

JUN 19 2000

FLARING OR VENTING OF
GAS IS SUBJECT TO MTL 4-A
Dated 1/1/80

CONDITIONS OF APPROVAL ATTACHED
OIL, GAS AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

J. C. Roth

TITLE

Sr. Geologist

DATE

11/2/99

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Assistant Field Manager,
Division of Resources

JUN 15 2000

APPROVED BY

/S/ WILLIAM C. STRINGER

TITLE

DATE

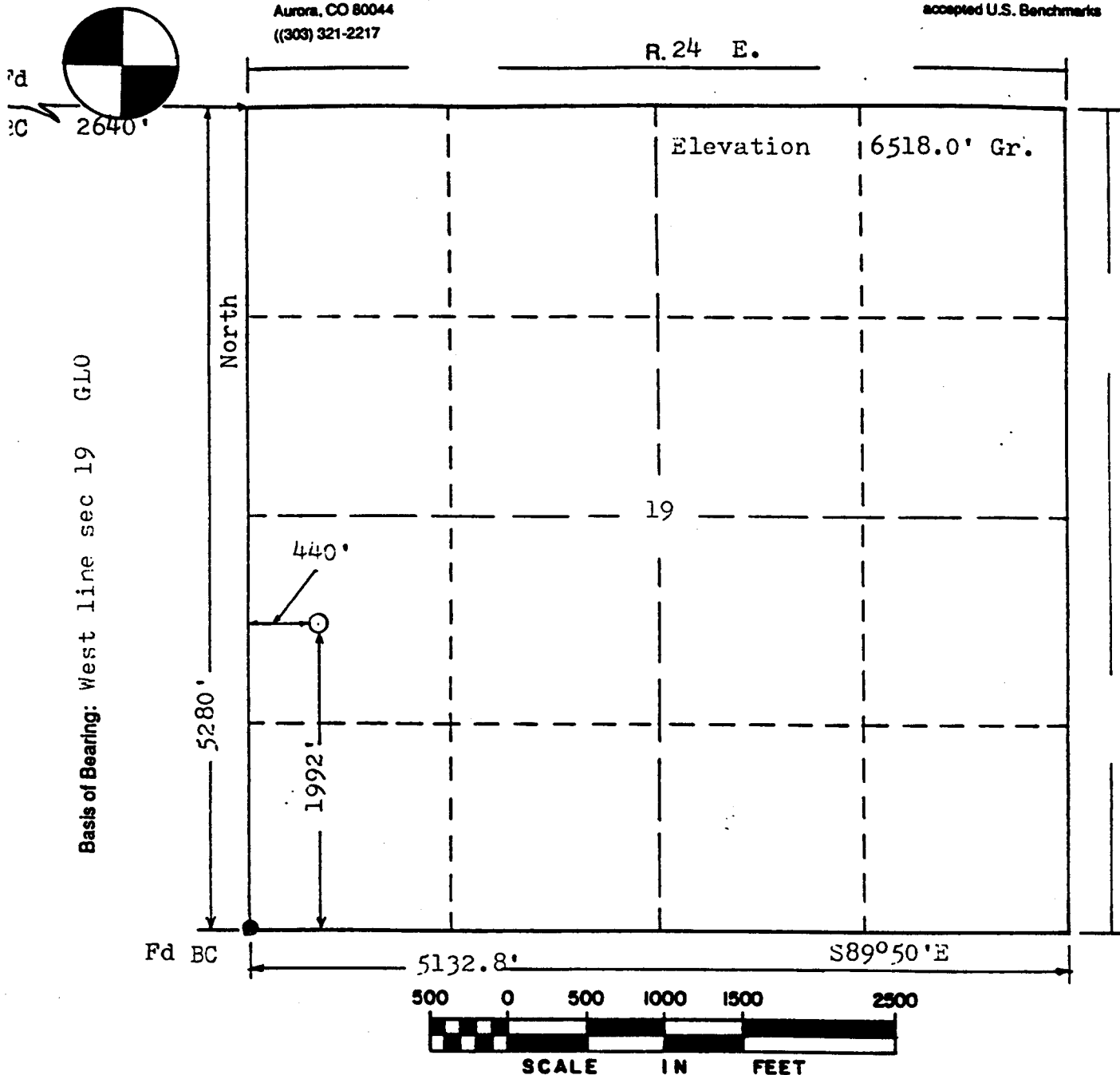
CONDITION OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

POWERS ELEVATION CO., INC.
P.O. Box 440889
Aurora, CO 80044
(303) 321-2217

ALL POWERS ELEVATION CO., INC.
elevations originate from
accepted U.S. Benchmarks



Powers Elevation Co., Inc. of Denver, Colorado has in accordance
with a request from Andy Busch for National Fuel Corp.

determined the location of #13-19 Federal

to be 1992'FS & 440'FW

Section 19, Township 16 S.

Range 24 E. of Salt Lake Principal

Meridian,

Grand

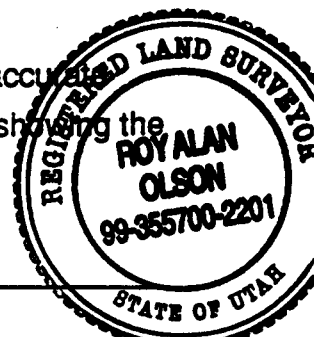
County,

Utah

I hereby certify that this plot is an accurate
representation of a correct survey showing the
location of #13-19 Federal

Date: 9-17-99

Roy A Olson
Licensed Land Surveyor No.



J. C. Thompson
Federal No. 13-19
U-15889
NWSW Section 19 T16S, R24E
Grand County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that J. C. Thompson is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT 0068 (Principal - J. C. Thompson) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

A. DRILLING PROGRAM

1. The proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent APD approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities. This location is outside a general spacing window as defined by DOGM regulations, and may require approval as an exception location.
3. While air drilling, the requirements of Onshore Oil and Gas Order No. 2, Special Drilling Operations, shall be observed.

B. SURFACE USE PLAN

1. The operator will contact Wildhorse Energy 48 hours prior to initiating road construction. Pipeline Right-of-Way UTU-038103 is located parallel to the proposed road route and will be avoided or protected, as specified by Wildhorse Energy personnel, during road construction and maintenance operations.
2. Rather than stockpiling trees next to the well site, Douglas firs and other large trees at the #13-19 Well will be stockpiled at an off site location. The Douglas fir and other large trees will be transported to an offsite location (such as adjacent to the #11-30 Well) to allow the salvage of the wood products and help reduce fire hazards at the well site.

The contractor will need to contact the Moab Field Office (Rich McClure at 435-259-2127) prior to initiating construction (1) to select a location for stockpiling the trees, or (2) to issue a firewood permit for salvaging and transporting the wood products.

3. The reserve pit will be lined with synthetic material adequate to prevent leakage of fluids. Prior to initiating construction of the well site, the operator will provide specifications on the liner to be used, techniques for padding under the liner, and the installation procedures to be used.

The Moab Field Office (Rich McClure at 435-259-2127) will be notified 48 hours in advance of installing the synthetic liner. BLM will inspect the pit construction and installation procedures to verify the integrity of the liner.

The lined reserve pit will be used to contain fluids during drilling, cementing, and testing operations. When drilling operations are finished, the fluids in the reserve pit will be hauled to an authorized disposal site.

A blooie pit will constructed at the end of the reserve pit. After fluids have been removed from the reserve pit and the pit has dried, the lined reserve pit will be covered with stockpiled soil materials and reclaimed.

4. In order to eliminate the need for a pit during production operations; a tank, surrounded by a berm of soil, will be used to contain produced water.
5. Prior to spraying weeds on public lands, the operator will submit a Pesticide Use Proposal (PUP) to BLM for review and approval of the herbicide and methods to be used.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced water from a newly completed well may be temporarily disposed into the reserve pit for a period of up to 90 days if use of the pit was approved as part of an APD. An application for water disposal beyond this period shall be submitted to the Moab Field Office pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Jack Johnson at 435-259-2129 or Rich McClure at 435-259-2127 of the Moab Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth

If the people above cannot be reached, notify the Moab Field Office at (435) 259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: (435) 259-2117
	Home: (435) 259-2214

AREA CODE 303
PHONE 220-7773

FAX
220-7773

National Fuel Corporation

5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237



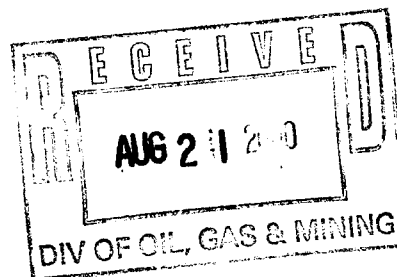
FACSIMILE TRANSMITTAL SHEET

DATE: 8/21/2000

TO: LISHA CORDOVA

FAX NO.: 801 - 359 - 3940

FROM: JIM BROTHERS
National Fuel Corporation
5000 South Quebec St., Suite. 640
Denver, CO 80237



FAX NO.: (303) 220-7773
VOICE: (303) 220-7772

SUBJECT: Water Purchase Agreements

NO. OF PAGES, INCLUDING THIS PAGE: 4

COMMENTS: Lisha,

Here are Water Purchase Agreements for APD's as follows:

National Fuel Corp. - MOON RIDGE FEDERAL #13-11 Sec. 11-T16S-R21E
(operator) MOON RIDGE FEDERAL #31-21 Sec. 21-T16S-R21E
Both in Grand Co., UT - administered by Vernal BLM office

✓ J.C. Thompson - Middle Canyon Federal #42-24 Sec. 24-T16S-R23E
(operator) Grand Co., UT - administered by Moab BLM office
This agreement will be applied to the Middle Canyon #18-19 when it
is eventually drilled.

J.C. Thompson owns National Fuel Corp., & uses both J.C. Thompson & National
Fuel as operating agents in Utah. I do geology & permitting, etc. for both.
Thanks for your help. Jim Brothers

WATER PURCHASE AGREEMENT

J.C. Thompson &
 NATIONAL FUEL CORPORATION, 5000 So. Quebec, #640, Denver, CO 80237 agrees to pay
LEE ELMGREEN the
 sum of 20¢ PER 100 GAL LOAD for water to be used for the
 drilling and 20¢ PER 100 GAL LOAD for completion of National
 Fuel's Middle Canyon #42-24 well, located in the SE NE of Section 24
16 Township 16 South, Range 23 East, Grand County, Utah. Water will be
 hauled from a stream diversion and check dam owned by LEE ELMGREEN
 at National Fuel's Expense.

EXECUTED this 14th day of AUGUST, 2000

NATIONAL FUEL CORPORATION

By: Andy Bush
 Andy Bush
 Production Superintendent

Lee E. Imgreen

By: _____

Lisha,

This Water Purchase Agreement
 is for the Middle Canyon
 #42-24 (+ #13-19 when/if it
 is drilled). It will be
 operated under J.C. Thompson,
 not National Fuel. Both are
 under the same ownership, &
 we use both as operators in
 UTAH - mostly for accounting
 purposes. Jim BROTHERS



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1584 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 21, 2000

J. C. Thompson
5000 S. Quebec, Suite 640
Denver, CO 80237

Re: Federal 13-19 Well, 1992' FSL, 440' FWL, NW SW, Sec. 19, T. 16 South, R. 24 East,
Grand County, Utah

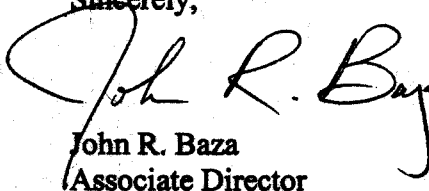
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31377.

Sincerely,


John R. Baza
Associate Director

er
Enclosures

cc: Grand County Assessor
Bureau of Land Management, Moab District Office

Operator: J. C. Thompson
Well Name & Number Federal 13-19
API Number: 43-019-31377
Lease: U-15889

Location: NW SW **Sec.** 19 **T.** 16 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

J.C. THOMPSON
INDEPENDENT OIL OPERATOR
7720 EAST BELLEVIEW AVENUE, #B-300
ENGLEWOOD, COLORADO 80111

RECEIVED

AUG 27 2001

DIVISION OF
OIL, GAS AND MINING

August 24, 2001

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Moonridge Federal #13-19 *T16S R24E Sec 19*
API 43-019-31377
Grand County, Utah

Dear Ms. Cordova,

This letter is to request a 1-year extension to drill the captioned well. The Utah Division of Oil, Gas and Mining approved the APD on August 21, 2000. Thank you in advance for your consideration. Please indicate your approval by signing in the space below and returning one copy of this letter to me in the envelope provided.

Sincerely,
J.C. THOMPSON

Brenda K Mayland

Brenda K. Mayland

The State of Utah Division of Oil, Gas & Mining grants a 1-year extension, or until August 21, 2002 to drill the Moonridge Federal #13-19 well.

By: _____
Printed Name: _____
Title: _____
Date: _____

Approved by the
Utah Division of
Oil, Gas and Mining

Date: *08-29-01*
By: *[Signature]*

COPY SENT TO OPERATOR
Date: *08-29-01*
Initials: *CHD*

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
U-15889

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Federal 13-19

9. API NUMBER:

43-019-31377

10. FIELD AND POOL, OR WILDCAT:
Middle Canyon

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

J. C. Thompson

3. ADDRESS OF OPERATOR:

7720 E Belleview B300 CITY Englewood

STATE CO ZIP 80111

PHONE NUMBER:

(303) 220-7772

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1992' fsl & 440' fwl

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 19 16S 24E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: APD extension - 1
year

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We request a one-year extension on the APD from September 15, 2002 to September 15, 2003.

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

By:

COPY SENT TO OPERATOR

Date:

Initial:

9-12-02

CHD

NAME (PLEASE PRINT) Brenda K. Mayland

TITLE Treasurer

SIGNATURE Brenda K. Mayland

DATE 9/10/2002

(This space for State use only)

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

SEP 11 2002

DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

November 19, 2003

Andrew Busch
J.C. Thompson
7979 East Tufts Ave. Pkwy 815
Denver CO 80237

Re: APD Rescinded – Federal 13-19, Sec.19, T.16S, R.24E Grand County, Utah
API No. 43-019-31377

Dear Mr. Busch:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 21, 2000. On August 29, 2001 and on September 12, 2002 the Division granted a one-year APD extension. On November 17, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 17, 2003.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Moab